Committed to the future of rural communities.

APPLICATION GUIDE

HIGH ENERGY COST GRANT PROGRAM

NOTICE OF FUNDING AVAILABILITY

RD– RUS–HECG12

APPLICATION DEADLINE: JULY 30TH, 2012

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE
ELECTRIC PROGRAMS

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TABLES AND BOXES

# # #

United States Department of Agriculture
Rural Development
Rural Utilities Service

High Energy Cost Grant Program

Application Guide

OVERVIEW

The High Energy Cost Grant Program was created by Congress in November 2000 under the Rural Electrification Act of 1936 (7 U.S.C. 918a) to provide financial assistance for the improvement of energy generation, transmission, and distribution facilities serving rural communities with home energy costs that are over 275 percent of the national average. The Program is administered through the Electric Programs of the Rural Utilities Service (RUS), an agency of USDA Rural Development.

USDA published a Notice of Funding Availability (NOFA) in the *Federal Register* on June 28th, 2012, requesting applications under the High Energy Cost Grant Program. The NOFA sets out the eligibility and application requirements for these competitive grants. This Application Guide is intended to be used along with the NOFA. RUS is making available a total of up to $7 million in Fiscal Year 2012 for competitive grants under this NOFA. The number of grants awarded will depend on the number of applications submitted, the amount of grant funds requested, the quality and competitiveness of applications submitted, and the availability of appropriated funds. The maximum amount for a grant request that will be considered for funding under this notice is $3,000,000. The minimum amount for a grant application is $20,000.

Eligibility

To be eligible to receive a grant under this program:

- You must be an eligible applicant as defined in the next section;
- The grant project must serve an eligible community that meets the criteria of having extremely high energy costs (high energy cost benchmarks are presented below);
- The proposed project must improve energy generation, transmission, or distribution facilities serving an eligible community; and
- The administrative costs of the project must not exceed 4 percent of grant funds.

Who is an Eligible Applicant?

You are eligible to apply you are any of the following:

- a legally-organized for-profit or nonprofit organization such as, but not limited to, a corporation, association, partnership (including a limited liability partnership), cooperative, or trust;
- a sole proprietorship;
- a State or local government, or any agency or instrumentality of a State or local government, including a municipal utility or public power authority;
- an Indian tribe, a tribally-owned entity, an Alaska Native Corporation;
- an individual or group of individuals, or
- any of the above entities located in a U.S. Territory or other area authorized by law to participate in programs of the Rural Utilities Service or the Rural Electrification Act of 1936**.**

Is my Community Eligible?

Your community qualifies as an eligible extremely high energy cost community if average home energy costs in the area to be served are at least 275 percent of the national average under one or more the high energy cost benchmarks shown below. Eligibility may be established using average annual household expenditures for individual fuels or for total energy, or average per unit cost for home energy.

2010 High Energy Cost Benchmarks
(Set at 275 % of National Average)

Fuel	Average annual household expenditures benchmark	Average per unit cost benchmark
Electricity	$3,010	$0.264 per kilowatt-hour
Natural gas	$1,988	$30.30 per thousand cubic feet
Fuel oil	$3,921	$5.54 per gallon
LPG/Propane	$2,255	$5.10 per gallon
Total household energy	$4,860	$51.62 per million BTUs

What Kinds of Energy Projects Are Eligible?
Grants under this program may be used for the acquisition, construction, installation, repair, replacement, or improvement of energy generation, transmission, or distribution facilities in communities with extremely high energy costs. On-grid and off-grid renewable energy systems, and energy efficiency, and energy conservation projects are eligible.

How to Apply

You must submit a grant application package prepared according to the directions contained in the NOFA to apply for a grant under this program. The completed grant application consists of your narrative grant proposal with supporting documentation and all required forms and certifications. You must submit a complete application package consisting of three sets: one complete application marked "Original" with original signatures signed in ink on all forms and certifications and two complete copies marked "Copy 1" and "Copy 2". All required forms must be included in Appendix B. Grant applications may be submitted on paper directly to the Electric Programs at the address shown below or electronically through Grants.gov (http://www.grants.gov).

Deadline: July 30th, 2012 at midnight (EST).

IMPORTANT: The Deadline for applications is 30 days after publication of the NOFA in the Federal Register.

Paper application packages must be postmarked and mailed through the United States Postal Service or shipped through an overnight commercial delivery service by the application deadline of July 30th, 2012, or hand delivered to the Electric Programs headquarters in Washington, DC by 4:00 pm EST, July 30th, 2012. The Agency will accept all applications postmarked or delivered to us by this deadline. Late applications will not be considered and will be returned to the Applicant.

Electronic Applications must be submitted to Grants.gov according to the instructions on that website on or before midnight (EST) July 30th, 2012. Late or incomplete electronic applications though Grants.gov will not be accepted by USDA.

Where to Submit Your Application

Paper Applications
A completed application package with original signatures and two copies must be delivered by prepaid United States Mail, overnight delivery service, or by hand to the Electric Programs in Washington, DC at the following address:

Rural Utilities Service, Electric Programs
United States Department of Agriculture
1400 Independence Avenue, SW, STOP 1560
Room 5165-South Building
Washington, D.C. 20250-1560

Mark the outside of the Envelope: "Attention: High Energy Cost Community Grant Program."

Applicants are advised that regular mail deliveries to USDA, especially of oversized packages and envelopes, continue to be delayed because of increased security screening requirements for Federal buildings. Applicants are advised to consider using Express Mail or a commercial overnight delivery service instead of regular mail. Applicants wishing to hand deliver or use courier services for delivery directly to the Electric Programs headquarters should contact the Agency representative in advance to arrange for building access. USDA advises applicants that because of intensified security procedures at government facilities, any electronic media included in an application package may be damaged during security screening. If an applicant wishes to submit such materials, they should contact the Agency representative for additional information

Electronic Submission of Applications
Applicants may complete and submit applications electronically through Grants.gov, the online Federal grants portal at http://www.Grants.gov. Applicants should be aware that before they can submit an application through Grants.gov, they must successfully complete several pre-registration steps with Grants.gov, including registration with the Central Contract Registry and registration with the Credential Provider prior to completing registration with Grants.gov. The Electric Programs will not accept applications directly online, by email or fax.

Evaluation of Applications and Notification of Grant Awards

All timely and complete applications will be screened for eligibility and then reviewed and ranked by a rating panel composed of Agency employees according to the evaluation criteria set out in the NOFA. The Administrator will award grants based on rank order.

The Agency will notify you in writing whether you have been selected for a grant award. All applications must be complete; incomplete applications will not be considered under this NOFA. A final award will only be effective on the Administrator's approval of the Grant Agreement.

Application Guide

This Application Guide should be used with the NOFA published in the *Federal Register* to prepare your application. This guide provides additional information to help you determine whether your community is eligible under the program and how to complete your application package. The guide includes examples of eligible projects and suggested sources for obtaining the energy and population data that you will need to determine eligibility and support your application. All the required Federal forms and certifications are included in the Appendices.

IMPORTANT: If there are any differences between this guide and the requirements in the NOFA, the NOFA provisions will govern, except for the Federal Certification form. This form is not listed in the NOFA, but is required for all RUS applicants as stated in USDA's 2012 Appropriations Language.

Copies of the NOFA and required forms are also accessible on the internet through Grants.gov, or the RUS Electric Programs website at http://www.usda.gov/rus/electric, or may be requested from the Agency Contact below.

For More Information:

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Senior Policy Advisor
Electric Programs,
Rural Utilities Service
United States Department of Agriculture, STOP 1560
1400 Independence Avenue, SW, Room 5165-S
Washington, DC 20250-1560

Telephone: 202-720-9545
Fax: 202-690-0717
Email: Kristi.kubista-hovis@wdc.usda.gov

DEFINITIONS

As used in this Guide and the Notice of Funding Availability:

Administrator means the Administrator of the Rural Utilities Service (RUS), United States Department of Agriculture (USDA), Rural Development.

Agency means the Rural Utilities Service,

Application Guide means the Application Guide prepared by the Agency for the High Energy Cost Grant program containing detailed instructions for preparing grant applications, and copies of required forms, questionnaires, and model certifications.

Census block means the smallest geographic entity for which the U.S. Census Bureau collects and tabulates decennial census information and which are defined by boundaries shown on census maps.

Census Designated Place (CDP) means a statistical entity recognized by the U.S. Census Bureau comprising a dense concentration of population that is not within an incorporated place but is locally identified by a name and with boundaries defined on census maps.

Extremely high energy costs means community average residential energy costs that meet or exceed one or more home energy cost benchmarks established by the Agency at 275 percent of the national average residential energy expenditures as reported by the Energy Information Administration (EIA) of the United States Department of Energy.

Home energy means any energy source or fuel used by a housing unit for purposes other than transportation, including electricity, natural gas, fuel oil, kerosene, liquefied petroleum gas (propane), other petroleum products, wood and other biomass fuels, coal, wind, and solar energy. Fuels used for subsistence activities in remote rural areas are also included.

High energy cost benchmarks means the criteria established by the Agency for eligibility as an extremely high energy cost community. Home energy cost benchmarks are calculated for total annual household energy expenditures, total annual expenditures for individual fuels, annual average per unit energy costs for primary home energy sources. The benchmarks are set at 275 percent of the relevant national average household energy expenditures.

Indian Tribe means a Federally recognized tribe as defined under section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b) to include "… any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act [43 U.S.C. 1601 et seq.], that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians."

Person means any natural person, firm, corporation, association, or other legal entity, and includes Indian Tribes and tribal entities.

Primary home energy source means the energy source that is used for space heating or cooling, water heating, cooking, and lighting. A household or community may have more than one primary home energy source.

State means any of the several States of the United States, and, where provided by law, any Territory of the United States or other area authorized to receive the services and programs of the Rural Utilities Service or the Rural Electrification Act of 1936, as amended.

State rural development initiative means a rural economic development program funded by or carried out in cooperation with a State agency or Indian Tribe.

Area means the geographic area to be served by the grant.

Community means the unit or units of local government in which the area is located.

Tribal entity means a legal entity that is owned, controlled, sanctioned, or chartered by the recognized governing body of an Indian tribe.

DEVELOPING THE PROPOSAL

BEFORE YOU START

Read the Notice of Funding Availability (NOFA) published in the Federal Register on* June 28th, 2012 *and become familiar with its requirements. *The NOFA is available* on the internet at Grants.gov Grants.gov or on the RUS Electric Programs website at http://www.rurdev.usda.gov/UEP_Our_Grant_Programs.html .)

This Application Guide **MUST** be used with the NOFA. If there are any differences in interpretation of this Application Guide and the NOFA, the NOFA takes precedence over information contained in this Application Guide. If there are any differences between the NOFA and USDA regulations, the regulations take precedence over the information contained in the NOFA and this guide. Program regulations are published in 7 CFR Part 1709. Your application will be rejected if it does not include the information, forms, and certifications required in the NOFA and if you do not include information to support your eligibility.

DETERMINING ELIGIBILITY

AM I AN ELIGIBLE APPLICANT?

Eligibility for these grants is established by law and regulation. Under section 19 eligible applicants include "persons, States, political subdivisions of States, and other entities organized under the laws of States" (7 U.S. C. 918a). Under section 13 of the Rural Electrification Act of 1936, as amended (RE Act), the term "person" means "any natural person, firm, corporation, or association" (7 U.S.C. 913).

You are eligible to apply for a grant under this program if you are any of the following:

- a for-profit or nonprofit organization such as, but not limited to, a corporation, association, partnership (including a limited liability partnership), cooperative, trust or other entity organized under State law;
- a sole proprietorship;
- a State or local government, or any agency or instrumentality of a State or local government, including a municipal utility or public power authority;
- an Indian tribe, a tribally-owned entity, an Alaska Native Corporation; or
- an individual or group of individuals.

Entities or persons located in U.S. Territories, possessions or other areas authorized to receive the services and programs of the Rural Utilities Service or the Rural Electrification Act of 1936, as amended, are also eligible under this program.

In addition, you, the Applicant, must demonstrate the legal authority and capacity to enter into a binding grant agreement with the Federal Government at the time of the award and to carry out the proposed grant funded project according to its terms to be an eligible applicant. Your application must include information and/or documentation supporting your eligibility, legal existence, and capacity to enter into a grant agreement

If you have any questions as to whether you may be an eligible applicant or what additional information you must submit to establish your capability to contract with the Federal Government, please contact the Agency.

Individuals are eligible grant applicants under this program. However, any proposed grant project must provide community benefits and not be for the sole benefit of you or your household. As a practical matter, because this program addresses community energy needs and to facilitate compliance with Federal grant requirements, individuals will likely find it preferable to establish an independent legal entity, such as a corporation to actually carry out the grant project if they are selected.

Individuals or other applicants who intend to form a new, separate legal entity to carry out the grant project should indicate their intent in their applications. The new entity must be in existence and legally competent to enter into a grant agreement with the Federal Government under appropriate State and Federal laws before a final grant award can be made. It does not have to be in existence when you submit an application.

IS MY COMMUNITY ELIGIBLE?

The grant project must benefit communities with extremely high energy costs. The RE Act defines an extremely high energy cost community as one in which "the average residential expenditure for home energy is at least 275 percent of the national average residential expenditure for home energy" as determined by the Energy Information Administration (EIA) using the most recent data available (7 U.S.C. 918a).

To qualify, average annual household expenditures for all energy must meet one or more of the High Energy Cost Benchmarks published in the NOFA and shown in Table 1.

To establish community eligibility:

- You must clearly define the geographic areas that will be included in the grant's area, and
- You must demonstrate that each of the communities in the proposed area meets one or more of the high energy cost benchmarks.

Identifying the Area for the Grant

You must identify and describe the areas and communities to be served by the proposal and include this information in the application. Box A includes Internet information resources that may be helpful in assembling information on your community and home energy costs.

The area may consist of all or part of one or more counties, cities, towns, villages or unincorporated areas. An area may include localities in more than one State. The smallest area that may be designated as an area is a 2010 Census block. Using Census blocks allows applicants and the Agency to locate the area easily and to determine its population.

Identify the area and all communities in the area by county, name of city, town, village or other incorporated unit of local government, and any Census Designated Places (CDPs) in unincorporated areas. We are requesting that applicants provide Census 2010 population figures for their proposed areas, including population of all cities, towns, villages, and CDPs in the area. If your proposed area includes rural unincorporated areas, consult the census maps at the U.S. Census Bureau website to determine if any part of the area includes any CDPs. For unincorporated areas that are outside of cities towns and CDPs, applicants may report population estimates based on total population of included census tracts/blocks or by reporting the county population outside of places.

For unincorporated areas that are not CDPs, provide a project name description that allows reviewers to identify the approximate location of the area. These areas may be identified by Census blocks or by zip code. You must include community identification and Census 2010 population information in your project description in the narrative proposal.

Appendix A contains a worksheet that may be helpful for collecting and presenting community information in table form.

Box A

Information Resources

U.S. Census Bureau Population Information

Census Bureau Home Page

American FactFinder -- get population data, locate census blocks, and create Reference Maps, Thematic Maps, and Custom Tables containing Census 2010 Census Tract data:
http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml

EIA Residential Energy Information

EIA Residential Energy Information --
http://www.eia.doe.gov/emeu/consumption/index.html
EIA Residential Energy Consumption and Expenditure Surveys 2005 Data and Reports, Summary Statistics
http://www.eia.doe.gov/emeu/recs/recs2005/c&e/detailed_tables2005c&e.html

Electricity

Retail Sales and Average Revenues per Kilowatt-Hour by Sector, State, and Utility --
http://www.eia.doe.gov/cneaf/electricity/esr/esr_sum.html

Natural Gas

Natural Gas Prices by Sector, Nationwide and by State:
U.S. Total Natural Gas Consumer Prices
http://tonto.eia.doe.gov/dnav/ng/ng_pri_top.asp
Natural Gas Data
http://www.eia.doe.gov/oil_gas/natural_gas/info_glance/natural_gas.html

Fuel Oil

Annual Residential Heating Oil Prices by State
http://tonto.eia.doe.gov/dnav/pet/pet_sum_mkt_dcu_nus_a.htm

Propane

Propane Prices by Sales Type and State
http://tonto.eia.doe.gov/dnav/pet/pet_sum_mkt_dcu_nus_a.htm

United States Department of Agriculture

Rural Utilities Service, Electric Programs Homepage
http://www.usda.gov/rus/electric/index.htm

Rural Development Homepage
http://www.rurdev.usda.gov

Economic Research Service -- State and County Unemployment and Median Income
http://www.ers.usda.gov/data/unemployment/.

Census Information Online. To obtain Census-related information from the Internet, go to the Census "United States Census 2010, It's in our hands" at http://2010.census.gov/2010census/.

On the website, you can determine the boundaries of any CDPs and Census blocks in your area by going to the 2010 Census Interactive Population Map http://2010.census.gov/2010census/popmap/ . Type in your area on the map and then click on the geographic level your interested in.

In addition to population figures, the 2010 Census data also can provide current information on household size, housing units, and major heating fuels in your local community that can serve as a credible source for estimated energy use or expenditures.

Determining Community Energy Costs

After identifying the area, the next step is determining whether the area is eligible. Your area will qualify as an extremely high energy cost community if you establish that it has home energy costs that exceed 275% of the national average under one or more high energy cost benchmarks. The NOFA gives you several options for demonstrating eligibility based on local community energy characteristics.

The statutory definition of an extremely high energy cost community sets a very high threshold for eligibility. Based on available published information on residential energy costs, USDA anticipates that only those communities with the highest energy costs across the country will qualify under this standard.

The Agency has calculated high energy cost benchmarks based on national average home energy expenditures. The benchmarks are shown in Table 1. Communities must meet at least one of the benchmarks to qualify as an eligible beneficiary of a grant under this program. These benchmarks are calculated from EIA's estimates of national average residential energy expenditures.

Your application must demonstrate that each community in the proposed area meets or exceeds one or more of these high energy cost benchmarks to be eligible for assistance under this program. Your must investigate and provide credible, documented local energy cost information in your application to support your eligibility under this program. The information resources in Box A may be useful in developing information on community energy costs for your application.

Appendix A includes a worksheet that may be helpful in collecting and presenting this community energy information in tabular form. Appendix A also includes several examples of eligible projects and community eligibility determinations.

NOTE: A community may include identifiable portions of larger utility service territories, or subunits of local governments that are not otherwise eligible, as long as the area itself is characterized by extremely high energy costs

Table 1

EIA Average Annual Household Energy Expenditures and Extremely High Energy Cost Eligibility Benchmarks

Fuel	**Average annual energy consumption (per household)**	**Average annual household expenditure (national average)**	**Extremely high energy cost annual expenditure benchmark (275% of national average)**
Electricity	11,480 kilowatt-hours (kWh)	$1,123 per year	$3,010 per year
Natural Gas	67 thousand cubic feet	$754 per year	$1,988 per year
Fuel Oil	742 gallons	$1,518 per year	$3,921 per year
LPG/Propane	457 gallons	$875 per year	$2,255 per year
Total Household Energy Use	94.9 million BTUs	$1,810 per year	$4.860 per year
Annual Average Per Unit Residential Energy Costs			
Fuel		**National Average**	**275% of national average per unit cost benchmark**
Electricity		$0.10 per kWh	$0.264 per kWh
Natural Gas		$11.24 per thousand cubic feet	$30.30 per thousand cubic feet
Fuel Oil		$2.04 per gallon	$5.54 per gallon
LPG/Propane		$1.92 per gallon	$5.10 per gallon
Total Household Energy cost per BTUs		$19.07 per million BTUs	$51.62 per million BTUs

Energy Information Administration, United States Department of Energy, *2005 Residential Energy Consumption Survey--Detailed Tables*, available at: http://www.eia.doe.gov/emeu/recs/recs2005/c&e/detailed_tables2005c&e.html.

The RUS benchmarks calculations include adjustments to reflect the uncertainties inherent in EIA's statistical methodology for estimating home energy costs. The benchmarks are set based on the EIA's lower range estimates using the specified EIA methods. These benchmarks apply to all new applications submitted after August 9, 2010.

Demonstrating Eligibility Using Average Annual Household Expenditures

The annual expenditure benchmarks are set at 275 percent of the average yearly household cost for major commercial energy sources for the typical household in eligible extremely high energy cost communities. There are a variety of methods for establishing average community home energy costs. This section provides guidance in determining your community energy costs for eligibility purposes. In calculating annual home energy use, fuels used in subsistence activities in remote areas may be included, but other transportation fuel uses should be excluded.

Electricity. EIA estimates that the average annual household expenditure for electricity is $1,123 based on annual usage of 11,480 kilowatt-hours (kWh) at an average price of about $0.10 per kWh. To qualify as an extremely high energy cost community under this benchmark, you must show that the community average annual residential electricity expenditure in your area exceeds the electricity expenditure benchmark of $3,010 per household or an average price of $0.264 per kilowatt hour.

For communities with commercial electric service, applicants may demonstrate eligibility using any one of three alternative approaches:

1. Actual average annual household expenditure data from the local electricity provider or regulatory authority; or
2. Average annual revenues per residential customer for the local electric utility as reported to or by the EIA, other government agencies, or commercial utility data sources; or
3. Estimated average annual household electricity expenditures based on available information on community housing characteristics, standardized residential energy consumption profiles, local energy cost data, and local climate conditions affecting energy use. (Applicants using this alternative should clearly explain the methodology and data sources used and why localized electric utility information is not available.)

Adjustments to historical community electricity costs are appropriate to account for variations in weather conditions, fuel prices, or unusual circumstances causing a substantial divergence of present or future residential electricity costs from historical patterns. If you are relying on adjusted data, be sure to include an explanation for why historical data has been adjusted and the methodology used.

***Special note for rural communities in Alaska that receive Power Cost Equalization (PCE) payments for residential customers*:** The household annual expenditure for electricity should include the PCE credits to reflect the actual cost of providing electricity. EIA information on residential electric revenues for electric systems in Alaska includes PCE payments in the residential revenues. For example, a local electric system reported average residential revenues per kilowatt hour of $0.45 cents which reflects a PCE payment for eligible loads of $0.23 per kWh. Because of the PCE payment the actual average cost to residential customers is reduced $0.22 per kilowatt hour. For purposes of determining eligibility, applicants should use the actual cost to serve of $0.45 cents per kWh, not the subsidized PCE rate.

Natural Gas. EIA estimates that the national average household expenditure for natural gas is $742 reflecting consumption of about 67 thousand cubic feet of natural gas at a cost of about $11.24 per thousand cubic feet. To qualify as an extremely high energy cost community under this benchmark, you must show that the community average annual residential natural gas expenditure in your area exceeds the natural gas benchmark of $1,986 per household or an average price of $30.30 per thousand cubic feet.

Applicants may demonstrate eligibility using any one of three alternative approaches:

1. Actual average annual household expenditure data from the local natural gas distributor or regulatory authority; or
2. Average annual revenues per residential customer for the local natural gas utility as reported to or by the EIA, other government agencies, or commercial utility data sources; or
3. Estimated average annual household natural gas expenditures based on available information on community housing characteristics, standardized residential energy consumption profiles, local energy cost data, and local climate conditions affecting energy use. (Applicants using this alternative should clearly explain the methodology and data sources used and why localized natural gas utility information is not available.)

Adjustments to historical community household expenditures for natural gas are appropriate to account for variations in weather conditions, fuel prices, or unusual circumstances causing a substantial divergence of present or future residential energy costs from historical patterns. If you are relying on adjusted data, be sure to include an explanation for why historical data has been adjusted and the methodology used.

Fuel Oil. According to EIA, the average household expenditure for fuel oil is $1,518 per year for 742 gallons of number 2 fuel oil at approximately $2.04 per gallon. To qualify as an extremely high energy cost community under this benchmark, you must show that the community average annual residential fuel oil expenditure in your area exceeds the natural gas benchmark of $1,882 per household or an average price of $5.54 per gallon.

Applicants may demonstrate eligibility using any one of three alternative approaches:

1. Actual average annual household expenditure data from a local fuel oil distributor; or
2. Average annual household fuel oil expenditures based on data reports or surveys from EIA, other government agencies, private agencies, or commercial data sources; or
3. Estimated average annual household fuel oil expenditures based on available information on community housing characteristics, standardized residential energy consumption profiles, local energy cost data, and local climate conditions affecting energy use. (Applicants using this alternative should clearly explain the methodology and data sources used and why localized fuel oil information is not available.)

Adjustments to historical community household expenditures for fuel oil are appropriate to account for variations in weather conditions, fuel prices, or unusual circumstances causing a substantial divergence of present or future residential energy costs from historical patterns. If you are relying on adjusted data, be sure to include an explanation for why historical data has been adjusted and the methodology used.

Special Note for communities that use kerosene, gasoline, or diesel as major household energy fuels: EIA does not report or calculate national average residential expenditures for kerosene, gasoline, or diesel as major household fuels and the Agency has not established benchmarks for those fuels. Applicants with communities that have substantial reliance on these fuels as household energy sources, may use the benchmark for fuel oil, or may include expenditures for these fuels in qualifying under total energy expenditures.

Propane/LPG. EIA estimates that the average annual residential expenditure on propane or liquefied petroleum gas (LPG) as a primary home energy source is $875 per year based on annual consumption of 457 gallons at approximately $1.92 per gallon. The extremely high energy cost benchmark for average annual expenditures for communities that use propane as a major home energy source is $2,255 per household or an average price of $5.10 per gallon.

Applicants may demonstrate eligibility using actual or estimated community average propane consumption and expenditures. Adjustments to actual prices for the effects of weather patterns or changes in propane prices are appropriate. Because there are few published sources for residential propane prices in rural areas, applicants must provide adequate documentation for actual or estimated local propane prices and the methodology they used to estimate average household expenditures.

Total Household Energy Use. EIA has estimated the national average household energy expenditure for all non-transportation energy sources is $1,493 per year based on consumption of 94.9 million BTUs at an average cost of $19.07 per million BTU. To qualify as an extremely high energy cost community under this benchmark, average annual residential energy expenditure (for all non-transportation uses) must exceed $4,860 per household or an average price of $51.62 per million BTU.

A community that does not meet the benchmarks for individual home energy sources may nevertheless qualify based on total expenditures for all home energy use. For example, a community with an average annual household fuel oil cost of $2,500 and an annual average household electricity cost of $2,500 would not qualify as an extremely high energy cost community under the benchmarks

for fuel oil or electricity. However, the community is eligible under program because the combined average total household energy expenditure of $5,000 exceeds the extremely high energy cost benchmark for average total annual household expenditures of $4,860.

Applicants should refer to the discussion above for guidance on energy expenditure and consumption information sources for individual energy sources used to determine total household energy use and expenditures.

Demonstrating Eligibility Using Per Unit Energy Costs

The per unit energy cost benchmarks reflect the average annual per unit cost for major commercial household energy sources in extremely high energy cost communities. To be eligible under this grant program, the average residential per unit cost for major commercial energy sources in the area or community must exceed at least one of the per unit energy cost benchmarks shown in Table 1. Applicants generally should use historical residential energy cost data where available. Estimates may be used if actual data is not available or does not adequately represent the costs of providing home energy services in the area.

Electricity. To be eligible under this benchmark, the average annual per unit cost of electricity must exceed $0.264 per kWh. There are a variety of acceptable measures that can be used to establish that community costs meet the eligibility benchmark. Common measures include the local utility's standard residential per kWh rate or annual average revenues per kilowatt hour for residential customers. Sources of actual per unit costs include the local electric provider, Federal and State agencies, and commercial energy information services. Estimates may be used if actual information is not available, the area does not have on-grid electric service, or the historical price information is not an adequate reflection of the community home energy costs. The example projects in Appendix A provide examples where per unit electricity costs were estimated. As discussed for the total expenditure benchmarks above, adjustments to historical data are appropriate to account for differences in weather, fuel prices, or other circumstances.

Natural Gas. The average annual per unit cost of natural gas must exceed $30.30 per thousand cubic feet to be eligible under this benchmark. Acceptable sources for natural gas information and appropriate adjustments are the same as indicated in the above discussion of annual expenditures benchmarks.

Fuel Oil. The annual average per unit cost of residential fuel oil must exceed $5.54 per gallon to be eligible under this benchmark. Acceptable sources for fuel oil information and appropriate adjustments are the same as indicated in the above discussion of annual expenditures benchmarks

Propane/LPG. The average annual per unit cost of propane or LPG as a primary home energy source must exceed $5.10 per gallon to be eligible under this benchmark. Acceptable sources for propane/LPG information and appropriate adjustments are the same as indicated in the above discussion of annual expenditures benchmarks

Total Household Energy. Communities may also qualify if the total annual average residential energy cost exceeds the benchmark of $51.62 per million BTU.[1] This figure is 275 percent of the national average. To derive this estimate, you should determine the annual consumption and expenditures for common home energy services including space heating, cooling, water heating, water pumping, refrigeration and food preservation, cooking, lighting, appliances, and laundry. In many instances home energy services may be delivered differently in remote rural areas and the costs may not be reflected in a typical residential bill.

[1] NOTE: BTU is the abbreviation for British Thermal Unit, a standard energy measure. A BTU is the quantity of heat needed to raise the temperature of one pound of water 1 degree Fahrenheit at or near 39.2 degrees Fahrenheit. In estimating average household per unit energy cost on a BTU basis, different home energy sources are converted to a standard BTU basis.

Where community energy consumption or energy cost data is incomplete or lacking, the applicant may substitute estimates based on engineering standards and available community, regional, or local data on energy expenditures, consumption, housing characteristics and population.

Per BTU expenditures are calculated by adding together total expenditures for all energy sources and dividing by average total home energy use on a BTU basis. Applicants should use the conversion factors in Box B to estimate home energy usage in BTUs in making these calculations.

Box B

Converting Energy Fuel Units to British Thermal Units (BTUs)

In estimating total average household per unit energy costs, it is necessary to convert common home energy sources to a standard BTU basis.

A BTU (British Thermal Unit): is defined as the amount of energy required to increase the temperature of 1 pound of water by 1 degree Fahrenheit, at normal atmospheric pressure. By expressing energy consumption in BTU, different energy sources can be compared and aggregated in common units.

Applicants should use the following EIA BTU conversion factors for residential energy use:

Energy Source	BTU Equivalent	Unit
Electricity (delivered/on site)	3,412	kilowatthour
Natural gas	1,027	cubic foot
Fuel Oil No.1	135,000	gallon
Kerosene	135,000	gallon
Fuel Oil No.2	138,690	gallon
LPG (propane)	91,330	gallon
Wood	20,000,000	cord

Supporting Energy Cost Data

Your application must include information that demonstrates eligibility under the high energy cost benchmarks for your area. You must supply documentation or references for actual or estimated home energy expenditures or per unit energy costs that you are relying on to meet the eligibility benchmarks.

Historical residential energy cost or expenditure information from the local commercial energy providers are the preferred sources of information. However, in some cases, local commercial energy provider data may be unavailable or may not present an adequate measure of energy costs in the area. Other potential sources of home energy related information include Federal and State agencies, local community energy providers such as electric and natural gas utilities and fuel dealers, and commercial publications. Estimates are appropriate if these sources are not adequate as discussed below.

Use of estimated home energy costs. Where community data are incomplete or lacking or where community-wide data do not accurately reflect the costs of providing home energy services, you may substitute estimates based on available community energy data and engineering standards. The estimates should use available community, local, or regional data on energy expenditures, consumption, housing characteristics and population. Estimates are appropriate where, for example, the area is without electric service. For example, engineering cost estimates reflecting the incremental costs of extending service could be used to establish eligibility for areas without grid-connected electric service.

Information to support high energy cost is subject to independent review by the Agency. Applications

that contain information that is not reasonably based on credible sources of information or sound estimates will be rejected. Where appropriate, the Agency may consult standard sources to confirm the reasonableness of information and estimates provided by applicants in determining eligibility, technical feasibility, and adequacy of proposed budget estimates.

Why alternative measures are appropriate. We concluded following our review of the EIA RECS data and the LIHEAP program information that eligibility criteria should provide several alternative measures of extremely high energy costs to accommodate the lack of a standardized national data base of local community energy consumption and price.

Reliance on total annual household energy expenditure alone does not provide an adequate measure of residential high energy costs in many rural communities. Total energy expenditures reflect the amounts and type of energy used, per unit costs of energy. These measures are in turn influenced by the size and condition of the housing units, family size and income, appliance use, climate, and annual weather variations. For example, on average lower income families tend to spend less on energy on a per household basis than upper income families because they tend to live in smaller homes with fewer energy consuming appliances, and have less disposable income. However, lower income families spend a much higher portion of their total family income on energy than upper income families. On average, families that live in regions with both high heating and high cooling demand tend to have higher energy bills than those in more moderate climate zones.

Reliance on historical commercial household energy expenditures or per unit energy costs alone in determining eligibility could ignore one of the most adverse impacts of extremely high energy costs in rural communities. Rural consumers, particularly those with low or modest incomes, may limit or do without commercial energy sources either because of the extremely high cost or its limited availability. Examples include homes without on-grid or any electric service; homes dependent on firewood for heating and homes left unheated or uncooled because of the expense or lack of service.

Use of average “out-of-pocket” household energy cost data may also yield a misleading picture of extremely high energy costs in some rural areas where some or all of home energy expenditures are not paid directly by the residential consumers. These include communities where some or all residential energy costs are paid by the landlord or housing service, or through heating or energy assistance payments, or by welfare or other community programs. For example, some Native American communities have a single electric meter, and service to all connected homes is paid for by the tribe directly to the electric utility. In some extremely high energy cost communities in Alaska, as a further example, critical household energy services such bathing, laundry, and food storage are provided and paid for through shared community facilities rather than by individual households. In these localities, household commercial energy expenditures would not capture the costs of all home energy uses. In such cases, it would be appropriate for applicants to estimate the equivalent localized costs of providing home energy services comparable to national or regional usage standards using available local data.

IS MY PROJECT ELIGIBLE?

Grants under this program may be used for the acquisition, construction, installation, repair, replacement, or improvement of energy generation, transmission, and distribution facilities in communities with extremely high energy costs.

Examples of eligible activities include:

- Acquisition, construction, replacement, repair, or improvement of:
  - Electric generation, transmission, and distribution facilities, equipment, and materials, including associated and supporting activities; land or right of way acquisition, engineering and professional expenses, permitting costs,
  - Natural gas distribution or storage facilities and associated equipment and activities serving residential customers or community use; or
  - Petroleum product storage and handling facilities serving residential or community use.
  - Renewable energy facilities used for on-grid or off-grid electric power generation, water or space heating, or process heating and power (renewable energy sources include solar, wind, hydropower, or biomass technologies).
  - Backup up or emergency power generation or energy storage equipment, included distributed generation installed on consumer premises.

- Implementation of energy efficiency, energy conservation measures such as weatherization of residences and community facilities, energy-efficient or energy saving appliances and devices as part of a coordinated demand management or energy conservation program.

The above examples are illustrative and are not meant to limit the projects that you may propose in your application. An activity that meets the objectives of providing or improving energy service or reducing the costs of energy services to eligible communities is an acceptable grant purpose.

Ineligible Grant Purposes

Certain activities and expenses cannot be financed out of grant funds. You may not use grant funds for: preparation of the grant application, payment of utility bills, fuel purchases, routine maintenance or other routine operating costs, or purchase of equipment, structures, or real estate not directly associated with provision of community energy services. In general, grant funds may not be used to support projects that primarily benefit areas outside of eligible communities. However, grant funds may be used to finance an eligible community's proportionate share of a larger energy project. Grant-funded projects must provide community benefits and not for the primary benefit of a single household or business.[2]

This grant program is not intended to support research, development or demonstration projects. You must be able to demonstrate that a proposed project is both economically and technically feasible as a condition of selection. However, use of grant funds will be considered for projects that involve the innovative use or adaptation of commercially proven energy-related technologies to improve energy service in extremely high cost communities.

Other Limitations on Use of Grant Funds

Section 19 requires that the planning and administrative expenses of the grantee not directly related to the grant project cannot exceed 4 percent of project costs. The Agency will not approve use of grant funds for expenses that exceed this limit. Only project proposals that are 100% implementation will be funded.

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[2] There are other USDA Rural Development Programs that can assist farms, ranches, rural small businesses and rural households and community facilities. For more information on these programs, please see http://www.rurdev.usda.gov/Home.html or consult your local USDA Rural Development State Office.

For More Information See Appendix A for examples of eligible projects and different approaches to demonstrating community energy costs.

READY TO PROCEED?

If you believe that you are an eligible applicant, your community is an eligible extremely high energy cost community, and your proposed project is eligible, feasible, and benefits your community, you are ready to prepare your project proposal and application package.

PREPARING THE APPLICATION PACKAGE

The NOFA describes what your application package must include. Refer to and follow the NOFA section on "What to Include in the Application" in preparing your application. For your convenience, The Application Checklist below shows the required contents of the application package in the order specified in the NOFA. Copies of all forms and certifications may be found in Appendix B, on Grants.gov and on the RUS Electric Programs website http://www.usda.gov/rus/electric.

Application Checklist

The paper application package must contain an original signed application and two complete copies.

Application Contents

A completed application will contain the following parts assembled in order and paginated sequentially or by section:

- ❑ **Part A. SF 424 "Application for Federal Assistance"**
- ❑ **Part B Narrative Grant Proposal**.
  - ❑ Grant Eligibility (3 pages maximum).
    - ❑ Project Abstract and Eligibility
    - ❑ Applicant Eligibility
    - ❑ Community Eligibility
  - ❑ Grant Proposal (30 pages maximum)
    - ❑ Executive summary (1 page)
    - ❑ Project needs (2 pages)
    - ❑ Project Description/Design (5 pages)
    - ❑ Project Goals and Objectives and Project Performance Measures (2 pages)
    - ❑ Project Management (8 pages)
      - ❑ Management Plan and Schedule (2 pages)
      - ❑ Project Reporting Plan (2 pages)
      - ❑ Relevant Organizational Experience (2 pages)
      - ❑ Key Staff Experience (2 pages)
    - ❑ Regulatory and Other Approvals (2 pages)
    - ❑ Rural Development Initiatives (1 page)
    - ❑ Proposed Project Budget (4 pages)
      - Attach either SF-424A, "Budget Information - Non-Construction Programs" or SF-424C "Budget Information-Construction Programs"
    - ❑ Supplementary Material- Only letters of support (5 pages) Letters of support from congress will not be counted against the page limit.

❑ **Part C. Additional Required Forms and Certifications**

❑ SF-424B, “Assurances - Non-Construction Programs” or SF-424D, “Assurances - Construction Programs” (as applicable)

❑ SF LLL, "Disclosure of Lobbying Activities" and Form SF-LLLA (continuation, if needed)

❑ "Certification Regarding Debarment, Suspension and Other Responsibility Matter - Primary Covered Transactions"

❑ Environmental Report

❑ Felony Disclosure Form

HOW WILL MY APPLICATION BE EVALUATED?

Your application will be reviewed by a rating panel selected by the Assistant Administrator, Electric Programs. The rating panel will award points to each application based on the evaluation criteria set out in the NOFA. Read the section of the NOFA on selection criteria carefully as well as this section of the Guide.

Careful attention to the project evaluation criteria in the NOFA is a critical part of preparing your proposal. The ratings panel will review all complete applications according to the evaluation criteria set forth in the NOFA. The rankings and recommendations of the panel will be forwarded to the Administrator for final review and selection.

Evaluation Criteria and Weights

The maximum number of points that can be awarded to a proposal under the selection criteria established in the NOFA is 100 points. Table 2 shows the maximum points available under each the evaluation criterion.

The Agency will use the selection criteria described below to evaluate and rate applications and will award points up to the maximum number indicated under each criterion. All applications must be on single sided pages, formatted using Times New Roman, with 12 point font, single spaced, minimum of .375" margins and all pages must be numbered. Only numbered pages will be reviewed. All applications are limited to the page limits specified by each section in this NOFA. Any additional pages will not be reviewed.

Grant Eligibility

The grant eligibility narrative will not be scored, but it will determine if the project is eligible for funding; application be submitted to the scoring panel. The grant eligibility section can be no longer than three pages and must include the following information:

Project Abstract and Eligibility. This section must provide a summary of the proposed project. It must be described in sufficient detail to establish that it is an eligible project. There are no scores associated with these sections, only the identification that the project is or is not eligible.

Applicant Eligibility. This section is a narrative statement that identifies the applicant and supporting evidence establishing that the applicant has or will have the legal authority to enter into a financial assistance relationship with the Federal Government.

Community Eligibility. This section provides a narrative description of the community or communities to be served by the grant and supporting information to establish eligibility. The narrative must show that the proposed grant project's area or areas are located in one or more communities where the average residential energy costs exceed one or more of the benchmark criteria for extremely high energy costs as described in this NOFA. The narrative should clearly identify the location and population of the areas to be aided by the grant project and their energy costs and the population of the local government division in which they are located. Local energy providers and sources of high energy cost data and estimates should be clearly identified. Neither the applicant nor the project must be physically located in the extremely high energy cost community, but the funded project must serve an eligible community. The population estimates should be based on the results of the 2010 Census available from the U.S. Census Bureau. Additional information and exhibits supporting eligibility may include maps, summary tables, and references to statistical information from the U.S. Census, the Energy Information Administration, other Federal and State agencies, or private sources. The Application Guide includes additional information and sources that the applicant may find useful in establishing community eligibility.

Scoring Criteria

Once an applicant has been deemed eligible, the application will be referred to a panel that will score the projects using the following 100 point criteria. Please note that these scoring criteria are different from the 2010 NOFA scoring criteria.

Table 2

Evaluation Criteria

	Maximum Points
Project Needs	**15**
Project Description (Design)	**30**
Project Goals and Objectives and Project Performance Measures	**10**
Project Management	**30**
Management Plan and Schedule	10
Project Reporting Plan	5
Relevant Organizational Experience	5
Key Staff Experience	10
Regulatory and other approvals	**0**
Rural Development Initiatives	**5**
Proposed Project Budget	**10**
Supplementary Material (Only Letters of Support Accepted)	**0**
Maximum Possible Score	**100**

A. Project needs (Up to 15 points). Under this criterion, reviewers will consider the applicant's assessment of community needs and how the grant project addresses those needs. Points will be awarded if the community is deem an economic hardship community or if the community is facing an imminent hazard. A community facing economic hardship is defined as a situation where the median household income for the community is 20% below the State average or where the community suffers from economic conditions that severely constrain its ability to provide or improve energy facilities serving the community. Projects focused in correcting an imminent hazard are defined as projects that will correct a condition posing an imminent hazard to public safety, public welfare, the environment, or to a critical community or residential energy facility in immediate danger of failure because of a deteriorated condition, capacity limitation, or damage from a natural disaster or accident. Applicants must describe in detail and document conditions creating severe community economic hardship or imminent hazard in the proposal.

B. Project Description/Design (Up to 30 points). In this section, the applicant will be awarded points on the technological design of the project. The applicant must provide a narrative description of the project including a proposed scope of work identifying major tasks and proposed schedules for task completion, a detailed description of the equipment, facilities and associated activities to be financed with grant funds, the location of the eligible extremely high energy cost communities to be served, and an estimate of the overall duration of the project. The Project Design description should be sufficiently detailed to support a finding of technical feasibility. Proposed projects involving construction, repair, replacement, or improvement of electric generation, transmission, and distribution facilities must generally be consistent with the standards and requirements for projects financed with loans and loan guarantees under the RE Act as set forth in the Agency's Electric Programs Regulations and Bulletins and may reference these requirements.

C. Project Goals and Objectives and Project Performance Measures (Up to 10 points). Points will be

awarded for the total reach of the project; the renewable energy produced, energy saved, or costs avoided, the more points that will be awarded. The applicant should clearly identify how the project addresses the energy needs of the community and include appropriate measures of project success such as, for example, expected reductions in household or community energy costs, avoided cost increases, enhanced reliability, or economic or social benefits from improvements in energy services available to the community. The applicant should include quantitative estimates of cost or energy savings and other benefits. The applicant should provide documentation or references to support its statements about cost-effectiveness savings and improved services. The applicant should also describe how it plans to measure and monitor the effectiveness of the program in delivering its projected benefits

D. Project Management (Up to 30 points). This section must provide a narrative describing the applicant's capabilities and project management plans. The description should be broken down into the following subsections:

a. Management Plan and Schedule (up to 10 points). This subsection should include the application's organizational structure, method of funding, if the applicant proposes to use affiliated entities, and production schedule in implementing the grant award. Points will be awarded for robust management plans, and realistic succinct schedules. If the applicant proposes to secure equipment, design, construction, or other services from non-affiliated entities, the applicant must briefly describe how it plans to procure and/or contract for such equipment or services. The applicant should provide information that will support a finding that the combination of management team's experience, financial management capabilities, resources and project structure will enable successful completion of the project.

b. Project Reporting Plan (up to 5 points) This subsection should provide a detailed description of the reporting requirements as well as consequences if the project falls behind. Points will be awarded for a robust reporting plan that clearly identifies consequences for falling behind schedule.

c. Relevant Organizational Experience (up to 5 points) This subsection should include a detailed description of the organization that will install or implement the proposed projects. Information on success rates, past project long term viability, and consumer complaints are required. If the applicant has received any HECG funding, or other Federal funding a detailed description of past performance is required in this section. Points will be awarded to organizations with proven track records.

d. Key Staff Experience (up to 10 points) This subsection requires bio/descriptions of all key staff must be provided. If the applicant proposes to use affiliated entities, contractors, or subcontractors to provide services funded under the grant, the applicant must describe the identities, relationship, qualifications, and experience of these affiliated entities. The experience and capabilities of these entities will be reviewed by the rating panel. Points will be awarded to applicants that are utilizing key staff with proven track records.

2. Regulatory and other approvals (0 points). Though no points will be awarded, the applicant must still identify any other regulatory or other approvals required by other Federal, State, local, or Tribal agencies, or by private entities as a condition of financing that are necessary to carry out the proposed grant project and its estimated schedule for obtaining the necessary approvals. A discussion of RUS compliance with National Environmental Policy Act of 1969 (NEPA) and National Historic Preservation Act (NHPA), for which the provision of funding is considered an action under NEPA and an undertaking under NHPA subject to review should be included. The environmental information that must be supplied by the applicant can be found in environmental report, found in the supplemental application materials. This information will be used to ensure the applicant has addressed all the regulatory requirements necessary in implementing a successful grant project.

3. Rural development initiatives (up to 5 points). The narrative should describe whether and how the proposed project will support any State rural development initiatives. If the project is in support of a rural development initiative, the application should include confirming documentation from the appropriate rural development agency. The application must identify the extent to which the project is dependent upon or tied to other rural development initiatives, funding and approvals. The applicant should also clarify if they are located in a rural community of less than 20,000 people. Projects that do not support a State rural development initiative, but are located in communities of less than 20,000, will still receive the full 5 points.

4. Proposed Project Budget (up to 10 points). The applicant must submit a proposed budget for the grant program on SF 424A, ''Budget Information—Non-Construction Programs'' or SF–424C, ''Standard Form for Budget Information-Construction Programs,'' as applicable. All applicants that submit applications through Grants.gov must use SF–424A. The applicant should supplement the budget summary form with more detailed information describing the basis for cost estimates. The detailed budget estimate should itemize and explain major proposed project cost components such as, but not limited to, the expected costs of design and engineering and other professional services, personnel costs (salaries/wages and fringe benefits), equipment, materials, property acquisition, travel (if any), and other direct costs, and indirect costs, if any. The budget must document that planned administrative and other expenses of the project sponsor that are not directly related to performance of the grant will not total more than 4 percent of grant funds. The applicant must also identify the source and amount of any other Federal or non-Federal contributions of funds or services that will be used to support the proposed project. Points will be awarded for budget feasibility, realistic budget costs, and total funds requested.

5. Supplementary Material (0 points). No points will be awarded for supplementary materials and only letters of support will be accepted as Supplementary materials. No other additional information will be accepted or reviewed.

SUBMITTING THE APPLICATION

Applicants should follow the directions in NOFA in preparing their application packages. The completed application should be assembled in the order specified with all pages numbered sequentially. Your application will be rejected if it does conform to the page limits/format requirements and include the information, forms, and certifications required in the NOFA.

Applicants that are submitting paper applications should submit one original application that includes original signatures on all required forms and certifications and two copies. All applications must be on single sided pages, formatted using Times New Roman, with 12 point font, single spaced, minimum of .375" margins and all pages must be numbered. Only numbered pages will be reviewed. All applications are limited to the page limits specified by each section in this NOFA. Any additional pages will not be reviewed.

Applicants that are submitting applications online through Grants.gov should follow directions on that site (http://www.Grants.gov) to complete the application forms and to attach their narrative and other materials to the application package for electronic filing.

HOW TO SUBMIT AN APPLICATION PACKAGE

PAPER APPLICATIONS

The completed application package must be delivered to the RUS Electric Programs headquarters at:

Rural Utilities Service, Electric Programs
United States Department of Agriculture
1400 Independence Avenue, SW, STOP 1560
Room 5165-South Building
Washington, D.C. 20250-1560

Mark the outside of the Envelope: "Attention: High Energy Cost Community Grant Program"

Application packages should be delivered postage paid using United States Mail, overnight delivery service, or by hand. The Electric Programs will not accept applications by email or fax.

Applicants should be advised that regular mail deliveries to Federal Agencies, especially of oversized packages and envelopes, continue to be delayed because of increased security screening requirements. Applicants may wish to consider using Express Mail or a commercial overnight delivery service instead of regular mail. Applicants wishing to hand deliver or use courier services for delivery should contact the Agency representative in advance to arrange for building access. USDA advises applicants that because of intensified security procedures at government facilities that any electronic media included in an application package may be damaged during security screening. If an applicant wishes to submit such materials, they should contact the Agency representative for additional information.

ELECTRONIC APPLICATIONS

We will accept applications submitted through the Federal Government's online application portal, Grants.gov. You can search for grant opportunities, download application materials, complete your application, upload additional information for your application, and submit your application electronically at Grants.gov. USDA will not accept applications by electronic mail.

Please follow the instructions for preparing and submitting applications under the "Apply" tab at Grants.gov. All the forms that you need to submit your application are available there. Follow Grant.gov directions for uploading additional information for your application.

If you encounter a technical problem retrieving or submitting an electronic application, contact the Grants.gov customer support resources directly (click the "Customer Support" tab on any page of Grants.gov to get started). USDA does not control the technical aspects of Grants.gov and we won't be able to help you if you experience a problem. We can, however, answer questions about the application materials posted there and what we require.

If you want to submit an application on-line, USDA strongly encourages you to obtain all the necessary sign-ups, credentials and authorizations well in advance of the deadline. You will need a Central Contractor Registry (CCR) registration before you can submit electronically. In addition, Grants.gov requires some one-time credentialing and online authentication procedures. These procedures may take several business days to complete. Please make sure that your credentials and registration are up to date. Some or all of Grants.gov's requirements require an annual update.

If you are applying through Grants.gov, you do not need to submit two copies as required for mailed applications. We may, however, request that you provide original signatures on paper as part of the pre-award review if your project is selected.

IMPORTANT: If you are applying through Grants.gov, you are responsible for assuring that the electronic files submitted are in a format that can be read by RUS. Please check the Grants.gov website for information on compatible formats. If you encounter problems submitting your application

through Grants.gov and can not resolve the issue through their assistance hotline, please get in touch with the Agency contact before the application deadline for advice on how to proceed.

DEADLINE FOR SUBMISSION AND LATE APPLICATIONS

VERY IMPORTANT: Your application package must be postmarked and mailed through the United States Postal Service or commercial overnight delivery service by July 30, 2012, or hand delivered to the RUS Electric Programs by 4:00 pm July 30th, 2012. Electronic Applications must also be filed with Grants.gov on or before midnight July 30th, 2012. The Electric Programs will accept for review all applications postmarked, submitted to Grants.gov, or hand delivered to by this deadline. Late applications will not be considered and will be returned to the Applicant.

# # #

APPENDIX A

RESOURCES

Target Area Worksheets

Many applicants find it useful to present information in tabular format. These optional worksheets are provided for the convenience of applicants in assembling and organizing community information to support their applications. Applicants are not required to use these worksheets in their applications.

Geographic, Population, Income, and Community Characteristics Worksheet

This worksheet is useful for presenting descriptive information about the community that can be used for determining eligibility and supporting the award of additional priority points for rurality and economic hardship.

Community Energy Characteristics Worksheet

This worksheet is useful for presenting information about community energy use and costs necessary for establishing eligibility.

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Applicant:_____

Project:_____ Page_____ of _____

Extremely High Energy Cost Community Grant Program
Optional Area Worksheet

GEOGRAPHIC, POPULATION, INCOME, AND COMMUNITY CHARACTERISTICS

COMMUNITY NAME **City, town, village, Census designated place, or local name for each community in the area**	**County**	**Incorporated Area?** **Yes/No**	**Census 2000 Population**	**County Median Income as Percent of State Median Income**

Notes:

Applicant:_____

Project:_____ Page_____ of _____

Extremely High Energy Cost Community Grant Program
Optional Area Worksheet

COMMUNITY ENERGY CHARACTERISTICS

COMMUNITY City, town, village, Census designated place or local name	Local Energy Provider	Fuel or Energy Source	Annual Household Consumption	Annual Household Expenditure	Average Per unit cost

Notes:

Examples of Eligible Projects

The RUS has developed four examples of communities and projects that may qualify under this program. The examples are illustrative only and do not reflect any actual grant proposals. The examples demonstrate how the eligibility requirements of this NOFA can be satisfied using alternative benchmarks and measures for diverse projects.

Example 1. Electric Distribution System Upgrade and Replacement of Bulk Fuel Storage Facilities
Example 2. Rural Electrification Project – Electric Distribution, Native American Reservation
Example 3. Rural Electrification Project with Renewable Energy
Example 4. Low-Income Residential Energy Efficiency and Weatherization Program

Example 1. Electric Distribution System Upgrade and Replacement of Bulk Fuel Storage Facilities and Rural Power System Improvements in a Rural and Remote Village

Target Community A is a remote rural Alaskan village of less than 2,000 inhabitants. It is served by a municipal utility. Its county median household income is 75 percent of the statewide average.

The primary residential energy sources used in the community are electricity and fuel oil. The average revenue per kilowatt hour (kWh) for residential customers is 23 cents per kilowatt-hour. The typical residential customer uses 500 kilowatt hours per month. Annual household electricity bills average $1,380. Because of its remote location, fuel oil is more expensive in this community than in more urban areas. In recent years fuel oil has averaged over $4.35 per gallon, delivered. Because of the harsh climate, the average household uses over 1,000 gallons of fuel oil per year and the average annual household fuel oil bill totals over $4,350.

The local government-owned utility of Community A submits a proposal for a rural power system upgrade to repair and replace segments of its electric distribution system and to replace and upgrade the village's deteriorated fuel oil storage tanks and bulk fuel handling system to comply with Federal environmental requirements. Use of grant funds for the project will avoid increases in home energy costs, enhance the reliability of the village energy infrastructure, and remedy an imminent environmental hazard. Total cost of the project is estimated at $ 2.5 million. The applicant proposes to contribute $250,000 towards project costs from a combination of internal funds and a State grant.

Is Community A an eligible applicant?

Yes. A local government body is an eligible applicant.

Is Community A an eligible extremely high energy cost community?

Yes. The average annual household consumption in Community A totals over 1,000 gallons of fuel oil per year and the average annual household fuel oil bill is over $4,350. This expenditure is substantially over the high energy cost benchmark of $3,921 per year representing 275 percent of the national average annual household expenditure for fuel oil. Therefore, the community qualifies as an extremely high energy cost under this NOFA based on average annual expenditure for fuel oil.

The reported average per unit household energy cost of $0.23 per kWh and annual expenditures of $1,380 for electricity in Community A, while substantially above the national average, does not meet the eligibility benchmarks for electricity of $0.264 per kWh or $3,010 per year as provided in the NOFA. However, the average household energy expenditures for fuel oil and electricity combined total $5,730 which exceeds the total annual household energy cost benchmark of $4,860 per year. The community is eligible under the total household energy cost benchmark.

Is Community A's proposed grant project an eligible purpose?

Yes. Repair, replacement, and upgrades of electric generation and distribution facilities and bulk fuel facilities are eligible purposes under this program.

Example 2. Rural Electrification Project – Electric Distribution, Native American Reservation

Target Community B is located in an extremely rural area of an Indian Reservation that currently does not have central station electric service. Less than 5,000 people live within the boundaries of this Federally-recognized reservation. The largest Census Designated Place (CDP) within the reservation has a population of 1,100 people. The median household income of the county in which the reservation is located is 75 percent of the statewide average. Median household incomes on the reservation are less than 60 percent of the statewide average. About 3,000 people live in the proposed area.

Households in the area rely on a variety of fuels and technologies for energy services. Some households rely on gasoline-driven electric generators to provide electricity for their individual homes. Members of the community also rely on wood, kerosene, and propane for heating and cooking. A small, densely settled area on the boundaries of the reservation receives electric service from a neighboring investor-owned electric system under the utility's state-approved residential rate. Other areas on the reservation are served by the Tribal Utility. Monthly electricity use for tribal homes in this area averages about 700 kWh.

About 40 percent of the homes on the reservation lack on-grid electric service. Because of the widespread lack of commercial energy services, there is little available information on average community energy costs. Surveys of a representative sample of homes indicate that residents rely on a combination of gasoline generators, propane, kerosene, and fire wood to meet their energy needs. Average household energy costs are estimated to be in excess of $5,000 per year exclusive of the costs of firewood. In the most recent year, the fuel cost for running a gasoline powered generator has averaged in excess of $0.79 per kilowatt hour. The average annual cost of generating approximately 400 kWh per month for household needs using a gasoline generator exceeds $3,700 per year.

The Tribal utility proposes to extend its electric distribution system within the unserved areas of the reservation. The Tribal utility submits an application for grant funds for system design and planning, and construction to expand its electric distribution to serve community facilities and approximately 300 residences. Utility revenues and conventional financing will support subsequent expansion of the system. The Tribe believes that an important benefit of the project will be that the availability of modern utility infrastructure on the reservation will improve the living conditions of residents, support economic development, and encourage younger members of the tribe to make their homes on the reservation.

A preliminary engineering study is available providing cost estimates for building out the tribal distribution system, future wholesale power costs, and projected electricity demand. If the project is completed, electricity is expected to be the major source of home energy.

The estimated cost of constructing phase I of the distribution system to serve 300 residential customers is $5,500,000. Estimated monthly electricity use for new residential customers after project completion is about 700 kWh based on characteristics of similar communities. The engineering study reports the average regional cost of wholesale power delivered is $0.08 and the average cost of distribution expenses for the tribal utility is $0.04 kWh for residential customers. Assuming that the $5,500,000 project cost is financed at 6 percent interest over a period of 35 years, estimated fully-allocated costs to serve the 300 homes in the area (excluding margins) can be calculated as follows:

Annual system electric usage (including losses)	2,646,000 kWh
Net annual system electric usage	2,520,000 kWh
Annual debt service	$376,325
Annual power purchase costs	$211,680
Annual distribution system expenses	$105,840
Total Costs	$693.845
Cost per kWh	$0.275

Is Community B an eligible applicant?

Yes. An Indian tribe or a tribal utility owned, controlled by, or sanctioned by the tribal government is an eligible applicant under this program.

Is Community B an eligible extremely high energy cost community?

Yes. Because the area is not served energy utilities, determination of eligibility will have to be based either the projected costs of constructing the new system and procuring power supplies or the estimated average annual costs of providing typical levels of household energy services using existing combination of gasoline generators, propane, firewood, and kerosene.

In this example, Community B is able to demonstrate that the average revenue per kWh cost for a new on-grid electric distribution system with a small customer base is projected to be $0.275 per kWh. This estimated residential electric cost exceeds the eligibility benchmark for per unit electricity costs of $0.264 per kWh. Community B's area qualifies as an extremely high energy cost community under this program.

Alternatively, the cost of providing electricity via gasoline generators is over $0.79 per kWh –well in excess of the benchmark of $0.264 per kWh and would exceed over $3,700 per year to provide an average of 400 kWh per month. The community qualifies under both the electricity benchmarks. In this example, the community may also qualify if the applicant can demonstrate that estimated annual costs of providing household energy services using the existing combination of gasoline, propane, kerosene, and firewood exceed the total annual energy expenditure benchmark of $4,860.

Is Community B's proposed grant project an eligible purpose?

Yes. The proposed construction of a distribution system under the tribe's electrification project qualifies as an eligible purpose.

Example 3. Rural Electrification Project with Distributed Renewable Energy

Target Area C is within a utility service territory located in a sparsely populated rural area and encompassing portions of an Indian Reservation. Applicant C a local electric distribution utility that serves the reservation and surrounding areas, proposes to provide electricity to unserved areas in its service territory through line extensions or by providing a package of an off-grid renewable generator and energy efficient electric appliances to provide basic home energy services in lieu of extending distribution lines and central station service. The grant would help reduce the costs for participating households. The grant will benefit scattered rural communities that, although located within the service area of an existing electric utility, do not have any central station electric service because of the costs. Together these scattered households comprise the grant's proposed areas. These unserved areas consist of clusters of up to ten single-family units in close proximity. These household clusters are isolated from each other and are located over a large geographical area. Some of these households have gasoline-driven electric generators that serve their individual homes or family-communities. Other sources of energy, such as wood, oil, and propane are also used for heating and cooking. Because of the lack of centralized utility services, there is little available information on total household energy costs. Eligibility of the community will be determined based on the estimated incremental costs of extending service to these new customers and/or the costs of providing off-grid (distributed) energy service.

The service area extends over several counties and has more than 15,000 customers. Most of the service area, including all of the proposed area, however, is located outside CDPs. The largest incorporated town in the area has a population of 3,400 persons. County median household income is 74 percent of the statewide average.

The utility's planning and engineering studies document the high costs of extending service to these remote settlements in sparsely populated areas. The utility estimates that costs of extending its distribution system to connect these settlements will range from $18,000 to $60,000 per household, excluding costs of power supply. The costs of line extension far exceed the construction allowance provided by the utility. Extending service is not cost-effective for the local utility under its rate structure. The average rural household with electric service in these areas uses 700 kWh per month at a residential rate of $0.088 per kWh and the average monthly bill averages about $61. Annual revenues from typical residential loads in the unserved areas would likely fall substantially below the $100/month or more needed to recover the initial investment to extend distribution service, exclusive of the costs of generation and distribution service. The inability of many low incomes residents to afford the additional customer contribution above the utility's standard line extension allowance has proved to be a significant deterrence to electrification. The utility could not average service extension costs to all unserved areas across its customer rate base without substantially raising consumer rates to other mostly low-income consumers.

The utility estimates that it could provide a modest level of electric service of about 400 kWh per month to a typical off-grid home by installing individual renewable energy generation systems (such as solar or wind) plus back up energy systems to provide electricity for a single family or cluster of households. The cost of a solar power installation is estimated at approximately $32,000 per household – significantly less than the costs of line extensions for many homes. Even so, the utility estimates that cost recovery for the solar system would require a payment of slightly over $270 per month over a 15 year period – or more than four times the average residential electric bill. The off-grid solar systems would provide electricity at a cost of about $0.67 per kWh, exclusive of backup generation fuel costs. The grant would bring down these costs.

The grant application proposes to use a combination of customer revenues, utility cost contributions, and grant funds to support the off-grid electrification project. As an additional benefit, the project will create several new community-based jobs in installing and servicing the household energy systems. The project also benefits the utility and its existing ratepayers by avoiding the higher costs of extending the utility's distribution system into these sparsely-populated areas and the costs of procuring wholesale power to serve the new loads.

The applicant documents that distributed generation is the lowest cost option for providing basic electric service to many residences in the area. The applicant's engineering study clearly describes the units that will be required and the costs associated with operating the facilities. In the case of off-grid operated solar units , the costs of providing and operating each unit will not vary greatly, therefore; an analysis of one unit will be representative and sufficient to show feasibility and cost of service.

Each installation is assumed to have a total project cost of about $32,000 and will supply average household electricity usage of 400 kWh per month. The analysis assumes costs would be recovered over a 15 year period at an interest rate of 6 percent with a monthly payment of $270. Total annual household electricity use is 4,800 kWh at an annual cost of $3,240. The cost of electric service is approximately $0.675 per kWh. This exceeds both the electricity eligibility benchmarks of $0.264 per kWh and $3,010 per year and establishes the area as an eligible extremely high energy cost area even though it is located in the service territory with per unit electricity costs that are close to the national average.

Is Applicant C an eligible applicant?

Yes. Applicant C as a local electric utility organized under State law is an eligible applicant.

Do Applicant C's identified group of unserved off-grid homes qualify as an eligible extremely high energy cost community?

Yes. The annual average cost for providing a modest level of electric service to the currently off-grid households in the area is $0.675 per kWh and exceeds 275 percent of the national average on a per unit basis. The location and costs of extending service to the off-grid residences can also be reasonably determined and exceed $0.264 per kWh on a fully-allocated cost basis. The group of

unserved off-grid homes in the service territory area qualifies as an extremely high energy cost community.

Is Applicant C's proposed off-grid electrification project an eligible purpose?

Yes. Applicant C proposes to extend and improve household energy services through a combination of off-grid renewable generation, battery storage, and efficient appliances. For situations where the cost of a line extension is less than off-grid service the applicant proposes to use grant funds to fund the difference between the cost of connecting the customer and utility's extension allowance. These activities are eligible purposes under this program.

Example 4. Low-Income Residential Energy Efficiency and Weatherization Program

Target Area D is located within a utility service territory that encompasses rural portions of several counties. The area experiences extreme winter and summer weather resulting in annual household energy bills for many rural consumers that exceed one or more of the total annual expenditure eligibility benchmarks. The system-wide average electric rate is 14.8 cents per kilowatthour. Most rural households rely on a combination of electricity, propane, kerosene, wood for home energy needs. The extremely high energy costs impose substantial economic burdens on low-income households and many are having difficulty in paying their bills. Applicant D, a local electric distribution utility that serves the areas, has analyzed its customer usage data and conducted extensive home energy audits and determined that its territory includes more than 1000 customers in clusters of low-income customer households with disproportionately high energy consumption and annual electricity bills in excess of $3,010 per year. The utility estimates that this usage could be reduced substantially through a comprehensive package combining energy efficient appliances, lighting, and heating and cooling equipment, weatherization, and repairs. Many of these families live in older manufactured homes with inefficient electric heat systems and inadequate weatherization that were built before the current more stringent energy efficiency standards and industry practices. Unfortunately, the customers often lack access to the financial resources that would allow them to take advantage of energy-saving opportunities. The utility proposes to use high energy cost grant funds to assist low-income households in implementing energy-saving measures identified through energy audits. The utility estimates that these measures could reduce the annual energy usage for participating households by up to half. The utility proposes that its eligible high energy cost grant community consist of low-income high energy consumption households in its service territory that exceed one or more of the annual home energy expenditure benchmarks.

The utility's service area extends over several counties has more than 13,000 customers. Most of the service area, including all of the proposed area, however, is located outside CDPs. The largest incorporated town among the communities has a population of 2,200 persons. County median household income is 65 percent of the statewide average.

The utility's customer records, energy audits and planning studies document the pattern of low-income – high usage customers in rural areas. The average household in its service territory uses only about 1,078 kWh per month at a residential rate of $0.148 per kWh and the average annual bill averages about $1,915. In contrast, these high-usage households often average in excess of 2000 kWh per month and have average annual bills exceeding $3,500, which is above the total annual electricity cost benchmark of $3,010.

The utility estimates that a modest investment in cost-effective energy efficiency measures could reduce household energy use by 30-40 percent, providing savings to the customer and making energy bills more affordable. The utility has enlisted the assistance of the local community action agency, local social services agency, and the State Energy Office to help identify eligible low-income households, cooperate in consumer education and outreach efforts, and to coordinate volunteer activities.

The grant application proposes to use a combination of grant funds, utility funds, sliding-scale customer cost contributions, and contributions of funds and services from local community action

groups and the State energy office to support the project. The non-Federal resources would provide over 20 percent of the project costs. As an additional benefit, the project will create and/or support new community-based jobs in conducting energy audits and education, installing energy efficient equipment and lighting, and making energy-saving repairs. Selected homeowners would participate in training on efficiency and the importance of maintenance of the efficiency measures. The project also benefits the utility and all its ratepayers by reducing energy demand and avoiding the costs of procuring wholesale power to meet these loads and deferring the need to upgrade distribution facilities to meet loads.

Is Applicant D an eligible applicant?

Yes. Applicant D as a local electric utility organized under State law is an eligible applicant.

Do Applicant D's identified group of low-income high-energy-use households qualify as an eligible extremely high energy cost community?

Yes. Extremely high cost to serve areas of a utility service territory are eligible as a area even if the entire service territory or community is not. The utility's customer usage, billing, and location information allows the identification and verification of clusters of qualifying rural households with average home electricity costs in excess of $3,500 per year and which comprise the area. These area household costs are well over the eligibility benchmark of $3,010 per year. This identifiable group of eligible beneficiaries within the area qualifies as an extremely high energy cost community.

Is Applicant D's proposed residential energy efficiency project an eligible purpose?

Yes. Applicant D proposes to provide and improve energy delivery to eligible households by reducing energy usage and annual costs through a combination of installed energy efficiency measures and weatherization. This is an eligible purpose under this program.

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APPENDIX B.
Required Forms, Certifications, and Templates

STANDARD FORMS

SF-424 Application for Federal Assistance
SF-424A Budget Information - Non-Construction Programs
SF-424B Assurances - Non-Construction Programs
SF-424C Budget Information-Construction Programs
SF-424D Assurances - Construction Programs
SF-LLL Disclosure of Lobbying Activities
SF-LLL-A Disclosure of Lobbying Activities (Continuation Sheet)
Felony Disclosure Form

DOCUMENT TEMPLATES FOR OTHER REQUIRED FORMS AND CERTIFICATIONS

Certification Regarding Debarment, Suspension and Other Responsibility Matter
Environmental Report Template

NOTE: The above documents can also be accessed electronically at the High Energy Cost Grant Program Overview website at http://www.usda.gov/rus/electric/hecgp/overview.htm under "Required Forms and Certifications."

Appendix C: High Energy Cost Grant Program
Environmental Report

Overview

The USDA Rural Utilities Service (RUS) is required to assess the potential impacts of proposed federal actions and undertakings, including the provision of financial assistance through the High Energy Cost Grant Program, to the human environment in accordance with the National Environmental Policy Act (NEPA), the National Historic Preservation Act (NHPA), and other federal, state, and local environmental laws. RUS requires awardees of the HECG program to complete this Environmental Report in order to ensure compliance with Council on Environmental Quality's implementing regulations for NEPA, 40 CFR Part 1500, and the Advisory Council on Historic Preservation's regulations for Section 106 of NHPA, 36 CFR Part 800, and other applicable laws. The Environmental Report provides the requisite information for RUS Environmental Staff to either complete the environmental review process or determine the appropriate level of additional impact analysis, in accordance with RUS Environmental Policies and Procedures, 7 CFR Part 1794 (http://www.usda.gov/rus/water/ees/pdf/1794.pdf). If additional impact analyses beyond the submittal of an Environmental Report are required, awardees will be notified by RUS Environmental Staff.

Until RUS has concluded the environmental review process, awardees are prohibited from taking actions that may have an adverse environmental impact or limit the choice of alternatives being considered in accordance with 7 CFR § 1794.15. If the proposed grant project involves construction activities or property acquisition, the applicant is generally prohibited from acquiring, rehabilitating, converting, leasing, repairing or constructing property or facilities, or committing or expending Agency or non-Agency funds.

Please note, the applicant may submit a copy of any environmental review document that has been prepared in connection with obtaining permits, approvals, or other financing for the proposed project from State, local or other federal agencies. Such material, to the extent relevant, may be used to meet the requirements herein. Also, applicants shall not reference items provided in other parts of the application package; all materials relevant to this report must be integrated herein to facilitate timely review.

Requested Information

A. Project Description and Location: Provide a concise description of all project related activities. Complete descriptions and locations must be provided for each site affected by project-related construction activities.

B. Map: Include a map for each site affected by construction. RUS recommends U.S. Geological Survey 7.5-minute quadrangle maps at a map scale of 1:24,000; larger scale maps may be provided for site-specific proposals, which may be obtained and purchased at the following website (http://www.usgs.gov/pubprod/maps.html). All project elements, if known at the time of application, must be clearly depicted on any map provided. If appropriate, photographs or aerial photographs of site-specific proposals may be provided.

C. Property Changes: Describe the amount of property to be cleared, excavated, fenced, or otherwise disturbed by the project, and the current land use and zoning for each project site affected by construction. Document whether the proposed project is located on public land owned or managed by the federal government. For information related to federal lands see the following website (http://www.geocommunicator.gov). This website provides cadastral survey and land management information and data from the National Integrated Land System specifically the distribution of the Public Land Survey System (PLSS), other survey-based data, and federal land boundaries.

D. Buildings: Describe buildings or other structures, including dimensions, to be constructed or modified. For linear projects, state whether the project is to be located on or within previously disturbed public rights-of-way.

E. Wetlands: Describe and indicate whether wetlands are present on or near the project site(s) affected by construction (maps of wetlands may be obtained from the U.S. Fish and Wildlife Service's National Wetland Inventory website (http://www.fws.gov/wetlands/), or from soil maps obtained from the USDA, Natural Resource Conservation Service's website (http://websoilsurvey.nrcs.usda.gov/app/HomePage.htm).

F. Threatened and Endangered Species: Describe and indicate whether any project site(s) will directly or indirectly affect any threatened, endangered or candidate species or is within or near critical habitats. Applicants must provide species lists and appropriate specie accounts (i.e. requisite habitat) obtained from the U.S. Fish and Wildlife Service's website (http://ecos.fws.gov/tess_public/) for each county affected by construction of the project.

G. Floodplains: Describe and indicate whether or not any facility(ies) or site(s) are located within an 100-year floodplain. If any project-related construction activities are within floodplains, a copy of a Flood Insurance Rate Map (FIRM) that depicts construction activities must be included. Information related to floodplains and National Flood Insurance Maps may be obtained from the Federal Emergency Management Agency's (FEMA) website (http://msc.fema.gov/webapp/wcs/stores/servlet/FemaWelcomeView?storeId=10001&catalogId=10001&langId=-1).

H. Historic Properties: Describe any cultural resources, including historic properties (i.e. properties listed in or eligible for listing in the National Register of Historic Places), located in or within a one-mile radius of the project area and how they may be impacted by the project. Information related to historic properties can be obtained from the State Historic Preservation Office (SHPO) in your respective State. The National Conference of State Historic Preservation Officers Website (http://www.ncshpo.org/find/index.htm) provides a directory of SHPOs.

Applicants must gather information about the nature and location of historic properties from the SHPO, and subsequently submit this information, including correspondence, to RUS. SHPOs should be asked the following questions:

1. Is the proposed project located on, within or adjacent to any properties listed in or eligible for listing in the National Register of Historic Places? Is the proposed project located on, within or adjacent to a National Historic Landmark? If the answer is yes, describe and indicate the geographic relationship between the project and property with maps.
2. Will the proposed project impact, use or alter a building or structure that was constructed more than 50 years ago? If so, describe the building/structure with a statement of its condition, including photographs, and document its age.

Applicants must also indicate if any portion of the project is located on tribal lands, meaning lands within the exterior boundaries of any Indian reservation and all dependent Indian communities. Information regarding historic properties located on tribal lands may be obtained from the Tribal Historic Preservation Officer (THPO) or the tribe's official representative for historic preservation. If identified, applicants should provide any information gathered about historic properties on tribal lands, including any correspondence with an Indian tribe, to RUS.

I. Coastal Areas: Determine whether or not the project is within the boundaries of a coastal zone management area (CZMA). For boundary related and contact information related to CZMA, see National Oceanic and Atmospheric Administration, Office of Ocean and Coastal Resource Management's website (http://coastalmanagement.noaa.gov/consistency/welcome.html).

J. Brownfields: Determine whether the project is located within a brownfield site. Per 42 U.S.C. 9601, the term ''brownfield site'' means real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant. Maps and locations of sites, facilities and properties that have been contaminated by hazardous materials and are being, or have been, cleaned up under EPA's

Superfund, RCRA and/or brownfields cleanup programs can be found at the EPA's Cleanups in My Community website (http://iaspub.epa.gov/Cleanups/).

Additional Assistance/Contact Information

In addition to the resource specific references provided above, general NEPA related information and guidance can be found on both the CEQ website (http://ceq.hss.doe.gov/index.html) and the EPA website (http://www.epa.gov/compliance/basics/nepa.html). For information related to NHPA, see the Advisory Council on Historic Preservation website - http://www.achp.gov/docs/CitizenGuide.pdf.

Please direct any questions regarding the environmental review process to Emily Orler, Environmental Protection Specialist, who may be reached by phone at 202-720-1414, or by email at emily.orler@wdc.usda.gov.